

Initial Statement of Reasons
Article 13, Article 3.0, Sections 155.00 through 155.10
Vehicle Registration and Titling

Effective July 1, 1995, SB1833/94, Ch. 1008, by Senator Torres created a new classification of vehicles known as “nonrepairable” vehicles. The change to the marking of titling documents was necessary as a preventive measure in controlling insurance fraud. The modifications to the titling documents were designed to identify vehicles that should never be restored.

The proposed regulatory action is to amend Sections 155.00 through 155.10 in Article 3.0, Division 1, Chapter 1, of Title 13 of the California Code of Regulations, in order to implement and make specific Section 11515.2 of the Vehicle Code. This regulatory action will specify the form to be completed for the different types of total loss vehicles and make specific the requirements that must be met to qualify for each type of certificate.

Article 3.0 Title

Currently, Article 3.0 has a title of “Definitions”. This title is being repealed because it does not describe the contents of the sections in this article.

155.00. Definitions.

The classification and marking of the titling documents are designed to identify vehicles that shall never be restored. The purpose of this section is to establish a uniform definition for the types of vehicle classifications that are eligible for a vehicle license fee (VLF) refund.

Subdivision (a) is being modified to change the word “any” to “a” for clarity.

Subdivision (c) is being added to define a new classification referenced in the Vehicle Code.

The authority and reference sections are being modified to include additional sections that apply for clarity.

155.02. Vehicle License Fee Refund Requirements.

Subdivision (b) is being modified to add the words “or nonrepairable” which is the new definition listed in section 155.00(c).

The authority and reference sections are being modified to add the new sections referring to the new vehicle classification.

155.04. Application for a Vehicle License Fee Refund.

Subdivision (a) and (b) are being modified to reference the latest reversion date of the REG 65 form and form name.

Subdivision (a), (a)(1), (a)(3), (a)(4), (a)(6), (b), (b)(1), (b)(2), (b)(4), (b)(5) (b)(6), (b)(8), and (b)(9) are being modified for grammatical clarity.

Subdivision (a)(5) is being added to require the true full name and address of the registered owner of record when the vehicle is stolen. This is necessary to validate the chain of ownership on the transfer and/or titling documents.

Subdivision (b)(4)(A) is being modified to insert additional language for clarity.

Subdivision (b)(4)(B) is being modified to define what is acceptable to the department as proof of a dismissed citation. This is necessary in order to clarify what terms can be accepted as proof of a dismissal.

The authority and reference sections are being modified to include additional sections that apply for clarity.

155.05. Application for Salvage or Nonrepairable Vehicle Certificate.

Section 155.05 is being added to specify the application requirements on the Application for Salvage or Nonrepairable Vehicle Certificate form to include the new classification of vehicle. The section identifies the departmental form and specific application requirements provided by an applicant when applying for a salvage or nonrepairable vehicle certificate.

Salvage Certificate Application

Subdivision (a) identifies the form required to obtain a salvage certificate and the various segments of the application form identified in subdivision (a). The elements in subdivision (a), paragraphs (1) through (10), subdivision (c), paragraphs (1) through (4), and subdivision (d) that must be completed to obtain a salvage certificate. This is necessary to inform the affected public of the application product this form can provide when the applicant completes the segments listed in the paragraphs of subdivision (a) and the department approves the application.

Subdivision (a), paragraph (1) requires basic vehicle description identification and the date registration expires. This is necessary to identify the vehicle in the vehicle history database and determine eligibility for the certificate.

Subdivision (a), paragraph (2) requests the insurance claim number as a cross-reference identification number when corresponding with an insurance company. This is optional and serves to enhance the identification of a vehicle and/or claim when communicating with the insurance industry.

Subdivision (a), paragraph (3) requires the most current cost or value of the vehicle prior to the total loss status. This is necessary to determine the procedure if titling documents are incomplete or in doubt. Pursuant to Section 4157 of the Vehicle Code, a bond may be required to protect the department against loss or damage based on a claim against the title.

Subdivision (a)(3)(A) provides the necessary information that the current cost or value is not required when asking for a “duplicate only” because the information requested was already provided to the department.

Subdivision (a), paragraph (4) requires the date the vehicle was wrecked or destroyed. This information is necessary to determine that the vehicle meets the Vehicle Code definitions and establishes the start date for calculating a refund.

Subdivision (a), paragraph (5) requires the date the vehicle was stolen. This information is necessary to determine that the vehicle meets the Vehicle Code definitions and establishes the start date for calculating a refund.

Subdivision (a), paragraph (6) is required when reporting a recovered stolen vehicle. This information is necessary as the department cannot issue a salvage certificate on an unrecovered stolen vehicle, only on a recovered stolen vehicle pursuant to Vehicle Code section 11515 (f).

Subdivision (a), paragraph (7) requires the applicant to certify that the vehicle is a total loss salvage, that ownership documents are attached and officially request a salvage certificate. This is necessary to provide documentation from the applicant that all requirements have been met.

Subdivision (a), paragraph (7)(A) and (B) address the department's acceptable alternative methods of proving ownership if documentation is lost or incomplete. This is necessary to verify that the applicant is, in fact, the owner and has a right to request a salvage certificate.

Subdivision (a), paragraph (8) requires the name and address of the insurance company or applicant. This is necessary to have an accurate name and address of the company or person applying for the salvage certificate.

Subdivision (a), paragraph (9) requires the California driver license or identification card number if the applicant is an individual in order to verify the identity of the applicant. A business, by virtue of meeting state and local business requirements, is considered a viable and recognizable entity and does not have to provide documentation of identity.

Subdivision (a), paragraph (10) requires the agent's name and occupational license number if the agent is licensed by the department. This is necessary to identify the agent and his/her licensing status with the department.

Nonrepairable Vehicle Certificate

Subdivision (b) identifies the form required to obtain a nonrepairable vehicle certificate. The elements identified in subdivision (b) paragraphs (1) through (11), subdivision (c), paragraphs (1) through (4), and subdivision (d) that must be completed to obtain a nonrepairable vehicle certificate. This is necessary to inform the affected public of the product this form can provide when the applicant completes the segments of the application listed in the paragraphs of subdivision (b) and the department approves the application.

Subdivision (b), paragraph (1) requires basic vehicle description identification and the date registration expires. This is necessary to identify the vehicle in the vehicle history database and determine eligibility for the certificate.

Subdivision (b), paragraph (2) requests the insurance claim number as a cross-reference identification number when corresponding with an insurance company. This is optional and

serves to enhance the identification of a vehicle and/or claim when communicating with the insurance industry.

Subdivision (b), paragraph (3) requires the most current cost or value of the vehicle prior to the total loss status. This is necessary to determine the procedure if titling documents are incomplete or in doubt. Pursuant to Section 4157 of the Vehicle Code, a bond may be required to protect the department against loss or damage based on a claim against the title.

Subdivision (b)(3)(A) provides the necessary information that the current cost or value is not required when asking for a “duplicate only” because the information requested was already provided to the department.

Subdivision (b), paragraph (4) requires the date the vehicle was wrecked or destroyed. This information is necessary to determine that the vehicle meets the Vehicle Code definitions and establishes the start date for calculating a refund.

Subdivision (b), paragraph (5) requires the date the vehicle was stolen. This information is necessary to determine that the vehicle meets the Vehicle Code definitions and establishes the start date for calculating a refund.

Subdivision (b), paragraph (6) is required when reporting a recovered stolen vehicle. This information is necessary as the department cannot issue a salvage certificate on unrecovered stolen vehicles pursuant to Vehicle Code section 11515 (f).

Subdivision (b), paragraph (7) is required as these three conditions meet the definition of nonrepairable vehicle pursuant to Vehicle Code section 431, paragraphs (a), (b) and (c).

Subdivision (b), paragraph (8) requires the applicant to certify that the vehicle is a total loss nonrepairable vehicle, that ownership documents are attached and officially request a nonrepairable vehicle certificate. This is necessary to verify that the applicant is aware of and has met the requirements to obtain a nonrepairable certificate.

Subdivision (b), paragraph (9) requires the name and address of the insurance company or applicant. This is necessary to have an accurate name and address of the person who applies for the certificate.

Subdivision (b), paragraph (10) requires the California driver license or identification card number if the applicant is an individual in order to verify the identity of the applicant. A business, by virtue of meeting state and local business requirements, is considered a viable and recognizable entity and does not have to provide documentation of identity.

Subdivision (b), paragraph (11) requires the agent’s name and occupational license number if the agent is licensed by the department. This is necessary to identify the agent as a DMV authorized agent.

Subdivision (c) requires certification of the disposition of total loss vehicle license plates. This is required to verify that the plates, which are still valid, have been removed from the vehicle and

explains that specific information shall be required before a salvage certificate or a nonrepairable vehicle certificate can be issued.

Subdivision (c), paragraph (1) is required to designate the disposition of the license plates by the applicant as surrendered, lost, destroyed by an occupational agent or retained by the owner.

Subdivision (c), paragraph (2) requires the applicant to indicate the number of plates surrendered. This is necessary to provide accountability for both the front and back plate on a vehicle.

Subdivision (c), paragraph (3) requires an agent's name and occupational license number if the plates are destroyed by an occupational licensee. This is necessary to identify the agent and his/her licensing status with the department.

Subdivision (d) requires the applicant to sign and date the form certifying under penalty of perjury under the laws of the State of California that the information provided on the application form is true and correct.

155.06. Surrender of License Plates.

Section 155.06 is being repealed as the disposition of the license plates is included in section 155.05 as part of the Application for Salvage Certificate or Nonrepairable Certificate form.

155.08. Vehicle License Fee (VLF) Refund Calculations.

This section is being amended to include nonrepairable vehicles as eligible for the VLF refund calculation. A statement was included in Subdivision (a)(1) to address a portion of a month when calculating a refund. The purpose of this statement is to clarify the refund calculation procedures.

The authority and reference sections are being modified to include additional sections that apply for clarity.

155.10. Repayment of the Refunded Vehicle License Fee.

This Authority and Reference sections are being modified to include additional sections that apply for clarity.

Subdivisions (a), (a)(1) and (b) are being modified to add the words "of these regulations" for clarity.